

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
FOREST VIEW ACRES WATER DISTRICT
AND THE BOARD OF DIRECTORS OF THE
WATER ACTIVITY ENTERPRISE
HELD
FEBRUARY 23, 2006

A special meeting of the Board of Directors of the Forest View Acres Water District and the Board of Directors of the Water Activity Enterprise (referred to hereafter as "Board") was held on Thursday, the 23rd day of February, 2006, at 5:30 P.M. at the Grace Best Elementary School, 66 Jefferson Street, Monument, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Barbara Reed-Polatty, Chairman
Brian Cross
Kajetan Nowacki

Upon motion duly made by Director Cross, seconded by Director Nowacki and, upon vote, unanimously carried, the absence of Eckehart Zimmermann was excused.

Also In Attendance Were:

Deborah D. McCoy; Special District Management Services, Inc.

Brent Botts and Marc Staley; United States Department of Agriculture

Dan LaFontaine; Operations Manager

Paul C. Rufien, Esq.; Paul C. Rufien, P.C.

See attached list for others in attendance

ADMINISTRATIVE MATTERS

Agenda: Ms. McCoy distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting. Following discussion,

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upon motion duly made by Director Cross, seconded by Director Nowacki and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the minutes of the January 26, 2006 regular meeting. Following discussion, upon motion duly made by Director Nowacki, seconded by Director Cross and, upon vote, unanimously carried, the Board approved the minutes of the January 26, 2006 regular meeting.

Appointment of Director: The Board deferred discussion.

Appointment of Secretary: The Board accepted the resignation of Kammy K. Tinney as Secretary. Following discussion, upon motion duly made by Director Cross, seconded by Director Nowacki and, upon vote, unanimously carried, the Board appointed Deborah D. McCoy as Secretary to the Board.

FINANCIAL MATTERS

Claims: The Board considered approval of the payment of claims for the period ending February 23, 2006, totaling \$12,963.43.

Following discussion, upon motion duly made by Director Nowacki, seconded by Director Cross, and upon vote, unanimously carried, the Board approved payment of claims, for the period ending February 23, 2006, totaling \$12,963.43, as presented.

Financial Statements: The Board reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending January 31, 2006. Following review, upon motion duly made by Director Cross, seconded by Director Nowacki and, upon vote, unanimously carried, the unaudited financial statements were accepted as presented.

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BILLING MATTERS Billing Report: The Board reviewed the Balances Due Report as of February 22, 2006.

Wilde property water service. Attorney Rufien reported that he is reviewing various documents to determine whether Mr. Wilde has a position for a differential fee.

Late fee waivers. Following discussion, upon motion duly made by Director Cross, seconded by Director Nowacki and, upon vote, unanimously carried, the Board approved the waiver of late fees for Wimberly, Keefer and Griffith.

LEGAL MATTERS Agreement for 2006 Operation, Maintenance & Capital Improvement Services with Independent Water Services: The Board was advised that review and discussion of the 2006 Agreement are in process. A final Agreement should be available to be presented to the Board at the next regular meeting. Following discussion, upon motion duly made by Director Cross, seconded by Director Nowacki and, upon vote, unanimously carried, the Board agreed to extend the current contract another month.

EXECUTIVE SESSION: Pursuant to §24-6-402(4)(b) and (e), C.R.S., Director Cross moved that the special public meeting of the Board adjourn and, upon an affirmative vote of at least two-thirds of the quorum present, that the Board reconvene in Executive Session for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators as authorized by § 24-6-402(4)(e), C.R.S. Mr. LaFontaine was asked to attend.

Furthermore, pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion of the District's counsel, constitutes privileged attorney-client communication pursuant to §24-6-402(4)(b), C.R.S.

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The Board reconvened in regular session at 7:30 p.m. No action was taken.

Raspberry Ridge/Red Rocks Reserve development: Mr. LaFontaine reported that the El Paso County Planning Commission approved the development on February 21st. The plat approval will now go to the County Commissioners but no date has been set.

May 2, 2006 Election: Ms. McCoy reported that the election will be cancelled if no more Self-Nomination forms are received.

Pike National Forest service request: The Board reviewed and discussed a written request from Pike National Forest to have the District provide drinking water outside of the District's boundaries to the US Forest Service's Monument Fire Center. The site is the administrative base for wildland fire fighting crews. The Forest Service proposes to construct a new water main from the fire center to the District water main on Sunburst Drive. The Forest Service will pay for all construction costs of the project including trenching, piping, meters and appurtenances. All new construction outside the boundaries of the District will be owned and operated by the USDA Forest Service. It is expected that a meter will be located at the edge of the District to record water usage.

Considerable discussion ensued regarding the cost for the tap and usage. The Forest Service does not propose to pay the District's monthly service fee for system maintenance and does not expect to pay a tap fee greater than \$10,000. Mr. LaFontaine has determined usage to be equivalent to approximately two to five average homes within the District.

The Forest Service was advised that a tap fee for a resident within the District is \$12,600.

The Board directed staff to review tap fee and rate structures of similar Districts. The Forest Service has requested a response by March 24th.

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The Board noted that they will review information prepared by staff at their work session scheduled for March 7th.

OPERATIONS REPORT

Water Operator report: Mr. LaFontaine reviewed the Operational Report and Production Report for January 2006. He distributed an updated action item list.

Palmer Lake Sanitation District correspondence: Mr. LaFontaine will provide a copy of the monthly backwash reports as requested and will provide a copy of his responses to the District Manager.

Update on saddle repairs: Mr. Spiegelberg reported that 15 saddle repairs have been completed to date. There are two shut-offs that need to be excavated. A contractor will do the excavations and Mr. LaFontaine will do the repairs. The estimated cost is approximately \$500.

Water loss/leaks: A number of water leaks have been reported on Sandstone. The Board directed Mr. LaFontaine to engage services for leak detecting.

OTHER BUSINESS

Community comments: The public expressed a concern over the continued water loss each month and implementation to locate and repair the leaks and/or line breaks. Other comments included providing service to the Forest Service and implementation of the recent rate increase.

EXECUTIVE SESSION MATTERS

Unger civil case and Wells Fargo: EXECUTIVE SESSION: Pursuant to §24-6-402(4)(b) and (e), C.R.S., Director Cross moved that the special public meeting of the Board adjourn and, upon an affirmative vote of at least two-thirds of the quorum present, that the Board reconvene in Executive Session for the purpose of receiving from the Board's attorney legal advice on specific legal questions as authorized by § 24-6-402(4)(b).

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Furthermore, pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of those portions of the executive session that, in the opinion of the District's counsel, constitutes privileged attorney-client communication pursuant to §24-6-402(4)(b), C.R.S.

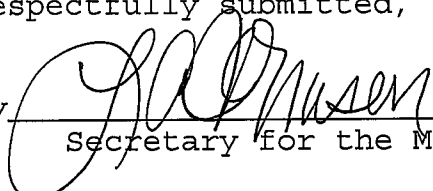
The Board reconvened in regular session at 8:00 p.m. No action was taken.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made and seconded and, upon vote, unanimously carried the meeting was adjourned.

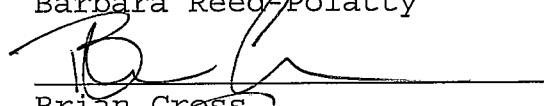
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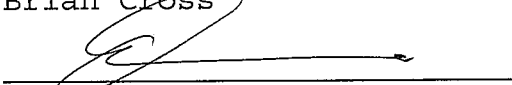
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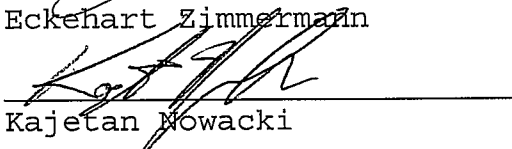

Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL FEBRUARY 23, 2006 MINUTES OF THE FOREST VIEW ACRES WATER DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Barbara Reed-Polatty


Brian Cross


Eckehart Zimmermann


Kajetan Nowacki